

Summary of the final remittance transfer rule (amendment to Regulation E)

The Consumer Financial Protection Bureau has issued rules to protect consumers who send money electronically to foreign countries. These transactions are called “remittance transfers.” The new rules take effect on October 28, 2013. More details on the rule are available at our [regulations page](#).¹

BACKGROUND

A “remittance transfer” is an electronic transfer of money from a consumer in the United States to a person or business in a foreign country. It can include transfers from retail “money transmitters” as well as banks and credit unions that transfer funds through [wire transfers](#),² [automated clearing house \(ACH\) transactions](#),³ or other methods.

Consumers in the United States send billions of dollars in remittance transfers each year. Up to now, federal consumer protection rules have not applied to most of these transfers. The Dodd-Frank Wall Street Reform and Consumer Protection Act changed that by establishing new standards with respect to remittance transfer and authorizing the Bureau to issue implementing regulations.

DISCLOSURES

The rules generally require companies to give disclosures to consumers before they pay for the remittance transfers. The disclosures must contain:

- The exchange rate.
- Fees and taxes collected by the companies.
- Fees charged by the companies’ agents abroad and intermediary institutions.
- The amount of money expected to be delivered abroad, not including certain fees charged to the recipient or foreign taxes.
- If appropriate, a disclaimer that additional fees and foreign taxes may apply.

Companies must also provide a receipt that repeats the information in the first disclosure or a proof of payment. The receipt must also tell a consumer the date when the money will arrive and how the consumer can report a problem with a transfer.

¹ www.consumerfinance.gov/regulations

² www.consumerfinance.gov/askcfpb/1163/what-wire-transfer.html

³ www.consumerfinance.gov/askcfpb/1065/what-is-an-ach.html

Companies must provide the disclosures in English. Sometimes companies must also provide the disclosures in other languages.

OTHER PROTECTIONS

The rules also generally require that:

- Consumers get 30 minutes (and sometimes more) to cancel a transfer. Consumers can get their money back if they cancel.
- Companies must investigate if a consumer reports a problem with a transfer. For certain errors, consumers can generally get a refund or have the transfer sent again free of charge if the money did not arrive as promised.
- Companies that provide remittance transfers are responsible for mistakes made by certain people who work for them.

The rules also contain specific provisions applicable to transfers that consumers schedule in advance and for transfers that are scheduled to recur on a regular basis.

COVERAGE

The rules apply to most remittance transfers if they are:

- More than \$15
- Made by a consumer in the United States
- Sent to a person or company in a foreign country

This includes many types of transfers, including wire transfers.

The rules apply to many companies that offer remittance transfers, including:

- Banks
- Thrifts
- Credit unions
- Money transmitters
- Broker-dealers

However, the rules do not apply to companies that consistently provide 100 or fewer remittance transfers each year.